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NEWS CONFERENCE

#304

AT THE WHITE HOUSE

WITH RON NESSEN

AT 10:57 A.M. MDT

AUGUST 22, 1975

FRIDAY

(Vail, Colorado)

MR. NESSEN: You have a statement that Carol has distributed concerning a declaration of a major disaster area for the State of Florida as a result of heavy rains and flooding in July. You should all have this press release.

The President took a tennis lesson this morning, and then played a couple of sets with Trammell Crowe and a couple of tennis pros over at the Golden Peak.

Then he came back to his residence and had some staff meetings, including Cheney, Nessen, Scowcroft and probably about now, with speech writers, to prepare speeches for the coming trip to the dam, Chicago and Milwaukee.

Then he will be playing golf at the Eagle Vail Course. I don't have an exact starting time, but there will be a travel pool. You already have the list of partners, I believe -- the golf partners, Bob Wolfe, the Pro at Vail Golf Course and Tom Apple, the Pro at Eagle Vail and Bud Palmer, the television sports announcer.

Q Are they old friends?

MR. NESSEN: Bud Palmer?

Q Yes.

MR. NESSEN: I think he has met him on occasion.

Then the President has more work to do this afternoon. He will probably have another session with the speech writers late this afternoon, and then he plans to stay in and have a quiet dinner at home this evening.

Q No guests tonight?

MR. NESSEN: I don't know of any at this point.

For tomorrow, it looks like staff meetings in the morning, then golf. I don't have the partners yet, and I don't have any plans for tomorrow night yet.

MORE

#304

Q Are you going to brief tomorrow?

MR. NESSEN: Yes, I think so -- 10:15 it looks like I will be able to make tomorrow.

There is quite a lengthy fact sheet being prepared on the Libby Dam, something like 10 or 11 pages, I think. That will be ready by some time later today, and then the bible for the trip. The three speeches should be ready, hopefully, sometime tomorrow. The Libby Dam speech we will have to make for release on delivery. I guess we should probably make the hardware speech for flat p.m.s Monday, and then we will have the White House Conference speech for release on delivery.

Q Are any of the speeches major? Do they break any new ground in any major area?

MR. NESSEN: You know we never characterize the speeches.

Q Is he going to have a question-and-answer session in Milwaukee after the White House Conference speech?

MR. NESSEN: Yes.

Q Is he also going to have an interview in Milwaukee Monday afternoon with three television anchormen?

MR. NESSEN: Yes.

Q Before the speech or afterwards?

MR. NESSEN: Before the White House Conference speech.

Q Will there be a regional media meeting in Milwaukee?

MR. NESSEN: No, there will be a lunch with the Editorial Board of the Milwaukee Journal.

Q What about the television interviews, are you going to make it public later?

MR. NESSEN: A transcript?

Q Yes.

MR. NESSEN: We would make a transcript. I don't know if that is being taped or live. It's live, you will be able to watch it, and we will also have a transcript.

Q Three anchormen?

MR. NESSEN: Yes.

Q Is there anything you can say about the private meeting with Canadian Energy Administrator Macdonald?

MR. NESSEN: I think it is going to be a relatively short opportunity to talk, but I would think that the -- as far as I know the two areas of discussion will be -- the two areas that could come up -- I don't know what the agenda is, and I don't think there will be an opportunity for a long meeting, but the two areas that could come up are Canada's decision to phase out its shipment of oil to the United States and a possible trans-Canada pipeline from Alaska.

MORE

#304

Q Ron, does that dam supply some power to Canada? I asked that yesterday.

MR. NESSEN: The fact sheet, which will be out fairly soon, will give you all the details. I haven't read it.

Q Where will the talks be held, at the dam or some other place?

MR. NESSEN: I have not looked at the detailed schedule to see which time is set aside for the talks.

Q But there will be talks, though?

MR. NESSEN: I think they will be very brief, Aldo. This is not a major occasion for conducting negotiations or discussions.

Q About 15 minutes?

MR. NESSEN: I will have to look at the schedule to see how much time, but I think that is probably in the right range.

Q Did President Ford invite Macdonald to participate in the ceremony?

MR. NESSEN: Not that I am aware of. I think he was sent by the Canadian Government as representative for Prime Minister Trudeau.

Q Is that a natural gas pipeline, or oil?

MR. NESSEN: Natural gas.

Q On the phasing out of oil, what is the President going to say? Is he going to make another appeal for continued shipments or what, do you know?

MR. NESSEN: As I say, I don't know that that will come up. That is one of the areas that could come up, and I suppose he would restate the American position, which is --

MR. CARLSON: The Northern States are dependent on Canadian oil, and we hope they would continue to supply their regular customers beyond 1975.

Q Can I ask about this \$2 a barrel situation now? Apparently the court has said that the White House has until the 15th of September to appeal that decision. If the President vetoes this extension of price control and also on the 1st of September, or thereabouts, lifts the tariff, that moots the issue.

MR. NESSEN: No, it doesn't. The timetable is going to be strung out a little bit beyond that because if you recall what he announced up at the symposium the other day was he would lift the \$2 if his veto was sustained.

So, you will have to wait into the first week of September to make sure that Congress does sustain the veto.

Q But the Senate is going to vote on the 4th.

MR. NESSEN: Yes, as I say, into the first few days of September.

The issue in the court case is not this specific \$2. The issue in the court case is the President's authority to impose import fees. So, whether this specific \$2 stays on or comes off, the Administration wants the Supreme Court to rule on the question of does he have the authority.

So, the removal or nonremoval of this \$2 does not directly affect the appeal.

Q But my question is, will the President, therefore, wait and not act on the lifting of the \$2 until after the court has ruled?

MR. NESSEN: No, it is an independent question. It is an economic question, and the other is a legal question.

Q Yes, but the court won't rule if he lifts it between the 1st of September and the 15th. Then the court will say the issue is moot and won't take action on it. What I am asking is, is the President going to remove the tariff immediately or wait until after the court decision?

MR. NESSEN: I think you may be mistaken, Bob, that the court won't take up the issue if the \$2 is off.

Q That is what I was informed by a White House aide.

MR. NESSEN: Which White House aide was that?

Q I would rather not reveal my source.

MR. NESSEN: My understanding is the plan is to base the decision on the \$2 whether the Congress sustains the veto or not and base the court decision on whether the President has the authority to do that or not.

Q There was a report this morning the President is considering a plan in which a quasi public corporation would be set up to channel \$100 billion into projects researching for substitutes for oil. Do you have anything on that?

MR. NESSEN: The President is looking at a number of alternatives on ways to stimulate the development of synthetic fuels, and also ways to perfect the technology involved in other methods of producing energy, such as solar and so forth.

This idea of having some sort of funding corporation is one of the ideas that has been presented to the President, but he has not made a decision. When I say he has not made a decision, he has not made a decision on whether any funding mechanism is needed.

Since he hasn't made that decision, he has also not made a decision on what type of funding mechanism there would be if he decides one is needed.

MORE

Q Does one proposal involve a plan for \$100 billion -- a proposal?

MR. NESSEN: One of the ideas he heard before he came out on this trip was for such a corporation. But the figure \$100 billion, as far as I know, was not part of the idea when it was presented to him. It was presented in sort of general terms without a specific dollar figure.

Q Was it presented to him by Rockefeller and Morton?

MR. NESSEN: No, it was presented to him at a meeting of all of his economic and energy advisers.

Q This is not a Domestic Council proposal?

MR. NESSEN: I, frankly, don't know what the genesis of it was. I just don't know what the genesis of it was. It was presented at a meeting, though, at which the economic and energy advisers attended.

Q If this idea is not already far advanced, why do they already have draft legislation ready to present to Congress if he approves it?

MR. NESSEN: I don't know that they do have draft legislation, Jim. At that meeting, he asked to have some of these various ideas put into more specific terms that he could look at when he got back from his trips. That was one of the ideas he asked to have put in more specific terms.

Whether the people took that to mean put it in the form of draft legislation, I don't know. But he certainly has not made the decision to go ahead with this or any other idea.

Q Can you tell us when that meeting took place? Was it here?

MR. NESSEN: It was the Saturday before he came out here.

Q Would this be an investment by the Government, or would it be a subsidy by the Government?

MR. NESSEN: One of the things he asked for is more specifics. It was presented in very vague and general terms and didn't get into that kind of detail.

Q But this meeting is planned to take up the windfall profits tax issues?

MR. NESSEN: No, it is a separate issue from windfall profits.

Q Can we assume part of this money might be used to support oil shale projects?

MR. NESSEN: I think we are moving way ahead of where the thing stands. He was given several ideas of how you might finance development of synthetic fuels and new technology, and this was one of them. But he has not decided whether any kind of funds are needed, and if so, what kinds.

Q Most of the ideas do involve Federal funding, don't they? This is not private industry.

MR. NESSEN: This is not Federal funding. The way the idea was presented to him, it would be a kind of -- as you know, there are, I think 23 different sort of quasi-independent agencies which float bonds to finance rural electrification and all those kinds of things -- housing bonds and so forth. The way it was presented to him, this would be something like that.

Q What were some of the other suggestions made, Ron?

MR. NESSEN: I, frankly, don't have my notes with me from the meeting, Jim, and I don't recall what some of the other ideas were.

Q Were any of them on this scale?

MR. NESSEN: We don't know what this scale is since no dollar figure was mentioned, that I recall.

Q Was there no proposal for Federal funds to go into this possible scheme? I understand it is all vague, but is there no proposal there should be Federal aid?

MR. NESSEN: The way it was discussed at that meeting, this particular proposal was discussed as an agency that would float its own bonds.

Q Where does the budget come from? I don't understand. Does the agency float the bonds and people buy the bonds and that is where the money comes from?

MR. NESSEN: Yes, and the money would be channeled into --

Q Would they have some kind of guarantee -- a Government guarantee of the loans?

MR. NESSEN: Yes.

Q Would it be something like the COMSAT proposition, a sort of quasi-Federal thing, but with private financing?

MR. NESSEN: I am not familiar with the financing of COMSAT.

Q There are two proposals for piping natural gas down from the north slope and Alaska, Ron. As you know, one would go directly through Alaska and the other would go down through the Mackenzie River through Canada.

Do you know which one the President might favor? Has there been any indication of that?

MR. NESSEN: No.

Q It will presumably be the one that goes through Canada that he might talk about?

MR. NESSEN: He might talk about it with Macdonald.

MORE

#304

Q Could you get some of the other proposals for the alternatives besides this bonding agency?

MR. NESSEN: Could I?

Q Yes, and what are the alternatives--whether we are considering private, Federal--what is the range of activities?

MR. NESSEN: Peter, first of all, there has to be a decision made on whether any sort of financing scheme is needed other than the normal private investment route, and I will look into that.

My notes are not here. They are in Washington, but I will talk to Zarb or somebody and see if we can find out what some of the other sides were that were discussed.

Q Isn't it already agreed that looking down the line that sooner or later private industry would not be able to handle some of these wide ranges of research projects, that some are very experimental and some would require guarantees?

MR. NESSEN: That is a decision that hasn't been made yet.

Phil?

Q Another subject. This wildcat strike of the coal miners in West, Virginia, is he keeping up? Is he aware of this, that people are not obeying the court order?

MR. NESSEN: I frankly didn't talk to him about it this morning.

Q Is there a transcript on the Grand Rapids interview? There was a story on the wires this morning.

MR. NESSEN: Maury DeJonge?

Q Yes.

MR. NESSEN: Yes, we have a little stack of those for those who want them.

Q Ron, I know Callaway had some very sharp criticism of people who are attacking Mrs. Ford's views. He said that anybody who attacked Mrs. Ford, it is going to backfire, anybody that attacks Mrs. Ford for political purposes.

I just wondered, has the President talked to Callaway about that, or do you all think that is going to be a political issue?

MR. NESSEN: I haven't even heard it talked about.

Q Has the President been in touch with Dr. Kissinger?

MR. NESSEN: He has not talked by phone with Dr. Kissinger. He has gotten written reports.

Q Do you all think this new thing out today by Syria and Jordan -- they announced a joint command -- is that going to hinder your peace efforts?

MR. NESSEN: We have seen the press reports on that, Bob, but so far have not been able to determine precisely what arrangement it is they are talking about.

Q If it is what it appears to be, that would not be helpful, would it?

MR. NESSEN: I think everybody here would rather wait and find out precisely what it is they have been talking about.

Q Haven't they discussed that before?

MR. NESSEN: Syria and Jordan?

Q Yes.

MR. NESSEN: I am not familiar with the background on it.

Q Was the President in touch with Secretary Dunlop last night or this morning?

MR. NESSEN: I am not aware of any calls to Secretary Dunlop.

Q Do you know if a meeting has been set up for next week?

MR. NESSEN: There are no plans now for a meeting next week.

Q Do you expect any posting of additional plans this afternoon?

MR. NESSEN: I would think at 5 o'clock we could give you whatever plans there are for the evening, plus tomorrow's golf. Unless some releases come down from Washington, I would think that would be all we would have at 5 o'clock.

Q Is there anything at all we have not asked you about that that you would like to disclose?

Q What did the President do last night?

MR. NESSEN: The President had dinner at the Scott's house and then he walked over to Larry Burdick's place, the Red Lion, and then I guess he went over to Sheika's for about a half hour and then went home.

Q How come nobody was notified?

MR. NESSEN: Because nobody knew ahead of time exactly what it was the President was going to do.

Q Once he went out, why couldn't there have been some notification?

MR. NESSEN: I think there was notification he was going to the Scott house.

Q That is correct, but once he left there, why couldn't there have been notification? He was out in public in the streets of Vail.

MR. NESSEN: Bob.

Q The Gulf Oil President says that gasoline is going to go up 8 cents because of this lifting of the tariff and decontrol and that kind of thing. Why is it that the oil companies and the White House don't seem to come up with the same figures?

MR. NESSEN: Bob, I think what you need to do is go back and read precisely what it was that Mr. Lee said. To save you the trouble, I will read you what he said.

He said as follows: "Decontrolling old oil would increase costs about 7 cents per gallon." As you know, we have also used the figure 6 to 7 cents a gallon.

Then, continuing the quote, "However, if the President takes off the \$2 import fee" -- as he said he would do -- "this would knock off about 3 cents, making a net increase of 4 cents," so we are close there, making a net increase of 4 cents and, because of market conditions, they could probably not fully recover all these cost increases in the near-term. Because of the market conditions, the price increases would come very slowly.

So, he ends up with a figure of 4 cents and we end up with a figure of about 3 cents. The other major oil companies--for instance, Mobil--said, "The assorted petroleum products could rise by 3 cents a gallon, provided Ford eliminates the present \$2 import tariff." So, Mobil is saying the same as the President's economists.

Exxon said, "Decontrol, coupled with removal of the tariff, would lead to modest increases in raw material costs of around 3 to 4 cents a gallon." So, we are in line there.

Continental said it foresaw a maximum increase of 4 cents a gallon, resulting from decontrol, but this figure could be reduced at the retail level because of competition.

So, you have Gulf, Exxon, Mobil and Continental all with estimates ranging from 3 to 4 cents, and that is essentially the same as the White House estimate.

Q Where does that Lee stuff come from? It is not in the wire service story.

MR. NESSEN: I checked it out because I anticipated a question.

Q Who did you talk to?

MR. NESSEN: John got it from somebody.

Q What is his full name?

Q The wire service says his name is James, but that is probably not complete, either.

Q Where did it come from?

MR. NESSEN: James E. Lee. He is the President of Gulf Oil Corporation.

Q How much are we going to -- the press corps -- is going to see of the President's activities on Sunday?

MR. NESSEN: Bill has been working on that.

Bill, do you want to come up and give a little preview of Libby Dam?

MR. ROBERTS: We are not exactly certain as yet, but it looks like we are going to be able to take approximately 30 members of the press corps up to Libby by helicopter, and we are still working on it. It will be an expanded pool, we are pretty sure of that, but just how expanded, we don't know.

MR. NESSEN: They are trying to get a chinook, which holds 34 people, I think.

Q What about the telephone situation?

MR. ROBERTS: The telephone situation is going to be miserable. It looks like two or three is all we will be able to have at Libby.

Q You will have them at Kalispell?

MR. ROBERTS: Not so many there either.

MR. NESSEN: It may be, you may have to file from Grand Junction.

MR. ROBERTS: No, Chicago.

Q Where do we land up there anyway?

Q We don't land in Chicago until when?

MR. ROBERTS: Approximately 7 p.m. Sunday, Central Daylight Time.

Q How much time do we have for filing before we leave for Chicago or wherever?

MR. NESSEN: I think you could take as much time as you want. There is no burning need to get to Chicago. The President may go to a small dinner in Chicago, but that is not certain yet.

Q What is happening in Chicago?

MR. NESSEN: They are having in Chicago some kind of sailboat races. What is the class of sailboats? World championship of some class of sailboats. The sailboat people are having a dinner, and I guess Mayor Daly is hosting the dinner, and he is discussing with the White House whether the President might come to that dinner.

It has not been resolved yet whether the President will get there in time to go and so forth. But that will be the only event in Chicago Sunday night so you can take as long to file as you want to, since the pool will cover that event.

Q When and where will we get a fill-in on the talks with Mr. Macdonald? Out there or Chicago?

MR. ROBERTS: Probably on Air Force One coming back.

MR. NESSEN: I guess we would have to give it to the pool on Air Force One on the way to Chicago.

I really want you to know that I don't anticipate any really long, serious discussions with Macdonald. There is a little time in there, but, you know, I wouldn't look for any major decisions or even major discussions during that brief period.

Q You will have the Libby speech available Saturday?

MR. NESSEN: As far as I know, the President is going to sign off on the Libby Dam speech in his meeting with the speech writers this afternoon, so we would certainly have that one, and the other two are in relatively good shape.

Q When will we get the background on the Libby Dam?

MR. ROBERTS: It may be available right now. I will bring it down.

Q Is there any energy element to Libby Dam?

MR. NESSEN: Libby Dam has energy elements to it. It also deals with the environment and conservation.

Q What about the hardware speech?

MR. NESSEN: That is going to be an economic speech.

Q Ron, when is the President going to meet again with his energy advisers to determine whether some funding mechanism is needed?

MR. NESSEN: No date has been set for the follow-up meeting, although at that Saturday meeting before we left, he indicated he would like to have some of the proposals put into more specific terms by the time he returns from this trip.

So there is no meeting being scheduled, but I would think it would be within a week after we get back from here.

Q Do you know how many major proposals he is considering?

MR. NESSEN: I don't, Helen.

Q Ron, do you anticipate, for purposes of Sunday's stories, that we will get anything more specific or more substantive between now and noon tomorrow other than the Montana stuff, or will the lead be on that?

MR. NESSEN: I don't really anticipate any major developments out of here tomorrow for Sunday's stories. I thought about making the Libby Dam speech for Sunday a.m.s, but that means Saturday night at 6 o'clock, which I think is too far ahead of the actual speech to do it. So I don't know what the Sunday story will be.

Q Why not make it a.m.s?

MR. NESSEN: I think it is too early, Peter -- 6 o'clock Saturday night.

Q Maybe for Sunday a.m.s we could have the President come over and talk to us? (Laughter)

MR. NESSEN: I will ask him.

Well, I think you could probably lead with the show tomorrow night, couldn't you? (Laughter)

Q What show? (Laughter)

MR. NESSEN: Does that about do it? Ken?

Q Has the President had any kind of direct dealings at all in trying to work out some kind of a negotiation with the maritime unions?

MR. NESSEN: As I said, he talked to Dunlop a couple of times the other day. He made his remarks over here to the grain people, which set out his general views. He talked to Meany that morning, and it is really in the hands of Dunlop until the President gets back and sees where it stands.

Q Ron, do you sing at all? (Laughter)

MR. NESSEN: Do I sing? I can't even hum.

Q Did you get any answers to the hold-over questions yesterday about who paid for Christy Vail and Jack's flights?

MR. NESSEN: I didn't get that answer yet. I am told Pam gave you the answer to the other question.

Q What other question?

MR. NESSEN: About, does the President have any financial interest in Vail Associates.

Q I asked on that and any other business interests in this area besides the condominium. She doesn't speak for the President, that I know of.

Q What is the answer to that, Ron?

MR. NESSEN: I thought Pam had said he does not, as far as she knows, have any financial interest in Vail Associates or anything else down here.

Q Do you know how the occasion with the hardware dealers came about, or how long ago?

MR. NESSEN: I don't, but I will check it for you.

Q Ron, could you ask the President if he has any. I don't think we should have a spokesman for Vail Associates answering that question.

MR. NESSEN: I will, Fran.

Q Has anyone stayed in the President's condominium while he has been out here? There was some question about whether Bass was going to come. He did come, but there has been some question about whether he has been using the condominium. Has he?

MR. NESSEN: Does Pam know? Has anybody been renting the President's condominium these past couple of weeks?

MISS CONKLIN: I asked that question but wasn't given an answer.

MR. NESSEN: We will check that out.

THE PRESS: Thank you.

END

(AT 11:27 A.M. MDT)